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Energy Information Administration

Energy Situation Analysis Report

Last Updated: March 6, 2003
Next Update: March 11, 2003
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Latest Oil Market Developments
The West Texas Intermediate (WTI) crude oil near-month futures price on the New York Mercantile Exchange (NYMEX) fell only slightly (20 cents per barrel) on Wednesday, March 3, to $36.69 per barrel. Oil stock data released by the Energy Information Administration (EIA) yesterday morning (3/5) indicated a modest build in crude oil (up 1.7 million barrels), but draws in distillate (down 2.6 million barrels) and gasoline (down 2.0 million barrels). These numbers were generally in line with market expectations. Today, WTI prices on the NYMEX ended up 31 cents per barrel, at $37.00 per barrel, as markets awaited Friday's crucial U.N. briefing by chief arms inspector Hans Blix. more...

Latest U.S. Weekly EIA Petroleum Information
Residential heating oil prices increased 8.3 cents per gallon for the week ending March 3, 2003, averaging 183.5 cents per gallon, and are 67.4 cents per gallon higher than last year at this time. Meanwhile, wholesale heating oil prices increased 8.6 cents per gallon this past week, reaching 129.3 cents per gallon. U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) rose by 1.7 million barrels, but are 53.0 million barrels below the level last year at this time. more...

World Oil Market Highlights
As of March 6, 2003, EIA estimates that OPEC countries excluding Iraq and Venezuela hold between 1.5 and 2.0 million barrels per day of excess oil production capacity that could be brought online. Around half to two-thirds of this spare capacity is located in one country -- Saudi Arabia -- with nearly all the rest located in other Persian Gulf countries. more...

Latest U.S. Weekly Natural Gas Information
Spot natural gas trading has been mixed over the past two days (Tuesday and Wednesday, March 4-5). Locations with gas price declines outnumbered those with increases on Tuesday, with the situation reversed on Wednesday, leaving spot prices either flat or down by up to 75 cents per MMBtu or more at most market locations. At the Henry Hub, the spot price declined a cumulative 75 cents to end trading yesterday (Wednesday, March 5) at $7.81 per MMBtu. Daily changes were relatively large at Northeast locations, where price drops on Tuesday and price increases on Wednesday were mostly over $2 per MMBtu. more...

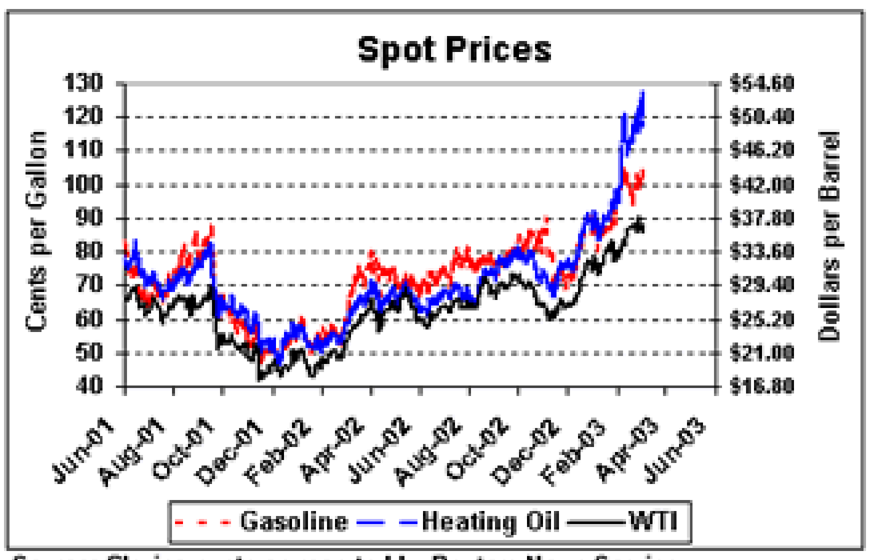
Latest U.S. Coal Information
Over-the-counter (OTC) coal prices were mostly unchanged last week. The $3.00 per short ton gains achieved 2 weeks ago in OTC prices for Central Appalachian coal held steady last week. Spot coal prices for the Central Appalachia/Big Sandy-Kanawha 12,500-Btu product tracked by EIA again traded at $34.25 per short ton in the week ended February 28. The stall in the price rise coincides with a reversal on February 26 of last week’s sharp increase in natural gas prices, on news of a possible warming in temperatures across the Midwest and Northeast. more...

Latest U.S. Electricity Information
In the Western United States, spot electricity prices tracked natural gas prices over the past seven trading days. On March 4, electricity prices increased throughout the region, reacting to higher natural gas prices and cooler weather. On March 5 electricity prices decreased, following a decline in natural gas prices. The Midwest region followed a similar pattern as the Western region. In the Northeast, prices on March 4 and March 5 were mixed throughout the region. In the Southeast, slightly cooler weather on March 5 increased customer demand resulting in high electricity prices. more...

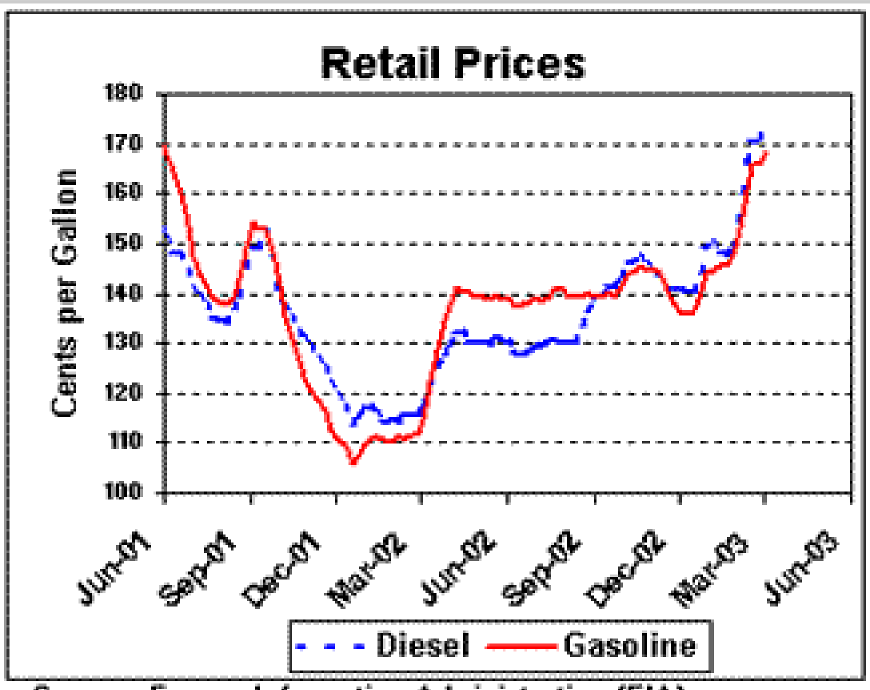
Energy Prices*

Petroleum Futures (near month)	3/5/03	3/4/03	Change
WTI ($/Bbl)	36.69	36.89	-0.20
Gasoline (c/gallon)	110.09	111.22	-1.13
Heating Oil (c/gallon)	104.39	104.86	-0.47
Natural Gas ($/MMBtu)			
Henry Hub	7.81	7.76	+0.05
California	8.43	8.47	-0.03
New York City	12.04	9.58	+2.46
Electricity ($/Megawatthour)			
COB	80.50	82.46	-1.96
PJM West	79.25	79.52	-0.27
NEPOOL	104.50	110.00	-5.50
Average	82.00	83.82	-1.82

*Definitions



Source: Closing quote as reported by Reuters News Service



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Latest Oil Market Developments

(updated March 6, 2003)

The West Texas Intermediate (WTI) crude oil near-month futures price on the New York Mercantile Exchange (NYMEX) fell slightly (20 cents per barrel) on Wednesday, March 3, to $36.69 per barrel. Oil stock data released by the Energy Information Administration (EIA) yesterday morning (3/5) indicated a modest build in crude oil (up 1.7 million barrels), but draws in distillate (down 2.6 million barrels) and gasoline (down 2.0 million barrels). These numbers were generally in line with market expectations. Today, WTI prices on the NYMEX ended up 31 cents per barrel, at $37.00 per barrel, as markets awaited Friday's crucial U.N. briefing by chief arms inspector Hans Blix.

Mediation efforts continue in an effort to resolve the strike in Venezuela, now in its fourth month, without much apparent progress. Government and opposition sources continue to cite widely varying figures for the country's current oil production. Until very recently, dissident workers from PdVSA who joined the stoppage and were later fired by Chavez, put Venezuela's output at nearly 1.6 million barrels per day, while government sources estimated the country's production at around 2.0 million barrels per day. On Friday (2/28) it was reported that PdVSA temporarily reduced output from the country's eastern fields by almost 500,000 barrels per day due to exporting problems at the eastern port of Jose. Dissident PdVSA employees have estimated that Venezuela pumped only 1.09 million barrels per day over the weekend because of the disruption. Current PdVSA managers have stated that the eastern fields will be restarted only as crude stocks are drained from export terminals. Also, efforts over the past weekend to increase production at PdVSA's crippled Paraguana refining complex reportedly were unsuccessful. More than one-third of the company's employees have been terminated since the beginning of the strike, and President Hugo Chavez has said that they will not be rehired.

Oil prices have been pushed sharply higher in recent months (up over 50% since mid-November) by generally falling commercial crude oil stocks in the United States , a colder-than-normal winter in the U.S. Northeast, and continued fears that a war with Iraq could adversely affect Middle Eastern oil supplies

. Oil markets fear that if a war with Iraq were to occur while Venezuelan oil exports remain far below normal levels, this could strain the world's existing spare oil output capacity (estimated at 1.5-2.0 million barrels per day) to its limit. Nearly all of this "excess capacity" is located in OPEC member countries, particularly Saudi Arabia (0.8-1.3 million barrels per day) the UAE (350,000 barrels per day), and Qatar (110,000 barrels per day), all of which are located in the Persian Gulf region.

Other issues related to **world oil markets** include:

- U.S. Secretary of State Colin Powell stated that "Nothing we have seen...indicates that Saddam Hussein has taken the strategic and political decision to disarm." Meanwhile, the foreign ministers of France, Russia and Germany issued a statement saying they would not "let a proposed [U.N. Security Council] resolution pass that would authorize the use of force" against Iraq.
- Iraq continues to destroy Al-Samoud 2 missiles, which are banned in Iraq by the United Nations because of their firing range. Destruction of the missiles started this past weekend. Iraq also has agreed to submit a new report on VX nerve gas and anthrax to the United Nations. Meanwhile, Chief UN weapons inspector, Dr. Hans Blix, is expected to address the Security Council on Friday (3/7).
- OPEC ministers have indicated their intentions to suspend the cartel's export restrictions in the event of an attack on Iraq. On Monday (3/3) OPEC President Abdullah al-Attiyah said, "If there is a shortage and the world needs more oil, we will do it...We will pump maximum capacity if the market needs it." EIA estimates that OPEC countries excluding Iraq and Venezuela hold between 1.5 and 2.0 million barrels per day of excess oil production capacity that could be brought online. Around half to two-thirds of this spare capacity is located in one country -- Saudi Arabia -- with nearly all the rest located in other Persian Gulf countries. OPEC's next meeting is scheduled for March 11.
- International Energy Agency (IEA) head Claude Mandil met with Saudi oil minister Ali Naimi and affirmed the IEA's commitment to "respond convincingly to any loss of oil supplies by making additional oil availabe to the market when needed."
- Saudi Arabia was reported by *Dow Jones* as currently producing around 9.2 million barrels per day, and as indicating that it would not be able to go significantly higher. In contrast, EIA assumes Saudi oil production capacity of 10.0-10.5 million barrels per day. Overall, *Dow Jones* estimates that the OPEC-10 (excluding Iraq) produced 24.7 million barrels per day of crude in February 2003, up 1.5 million barrels per day from 23.2 million barrels per day in January.
- On Monday (3/3) Kuwait announced that it would shut in its northern oilfields in the event of a war in Iraq in an effort to safeguard the fields' employees and facilities. Shutting in northern Kuwaiti fields could cause an oil supply disruption of between 400,000 and 700,000 barrels per day, depending on which fields are shut in exactly. Already, Kuwait is reported to have shut in 100,000 barrels per day of production from two northern oil fields (Ratqa and Abdali).
- As of March 6, 2003, the U.S. Strategic Petroleum Reserve (SPR) contained 599.3 million barrels of oil. The SPR has a maximum drawdown capability of 4.3 million bbl/d for 90 days, with oil beginning to arrive in the marketplace 15 days after a presidential decision to initiate a drawdown. The SPR drawdown rate declines to 3.2 million bbl/d from days 91-120, to 2.2 million bbl/d for days 121-150, and to 1.3 million bbl/d for days 151-180.

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Latest U.S. Weekly EIA Petroleum Information

(last complete update: March 6, 2003)

Petroleum Inventories
U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) rose by 1.7 million barrels, but are 53.0 million barrels below the level last year at this time. Crude oil inventories in PADD II (Midwest) increased slightly, but they still remain near the lowest seen since EIA began collecting regional data. Distillate fuel inventories fell by 2.6 million barrels, with most of the decline in low-sulfur distillate fuel (diesel fuel). Comparing the latest weekly data to monthly data for previous years, total distillate fuel inventories at the end of February are at the lowest level for this time of year since 1963. Motor gasoline inventories fell by 2.0 million barrels last week and remain below the low end of the normal range. Total commercial petroleum inventories are 122.1 million barrels less than last year at this time.

After falling to the lowest level since EIA has kept PADD-specific inventory levels (dating back to August 1989) during the week ending February 21, crude oil inventories in PADD II (Midwest) increased slightly last week. However, they still remain at very low levels. This is important because PADD II includes Cushing, Oklahoma, where physical barrels are traded for West Texas Intermediate (WTI) crude oil, the U.S. benchmark crude oil. If inventories get particularly tight at Cushing then upward pressure on prompt WTI prices could develop, which may lead to higher prompt prices for other crude oils in the United States and elsewhere in the Americas.

U.S. inventories of propane fell a relatively modest 2.0 million barrels last week, ending the week of February 28, 2003 at an estimated 21.0 million barrels. Following a period of sharp declines since the first wave of Arctic temperatures swept the nation, U.S. inventories last week posted the smallest weekly decline since the week ending January 3, 2003. Regional declines were also relatively modest last week with less than a 0.2 million-barrel drop in the East Coast, while during the same period, Midwest and Gulf Coast regions reported respective declines of 1.1 million barrels and 0.6 million barrels. But with several weeks of winter remaining, and with U.S. inventories less than 3 million barrels above the Lower Operational Inventory (LOI), the nation's propane inventory situation remains somewhat precarious, and any more bouts of extended severe cold weather could potentially cause regional supply disruptions or spot shortages.

Petroleum Imports
U.S. crude oil imports (including imports going into the Strategic Petroleum Reserve) averaged 8.7 million barrels per day last week, an increase of nearly 400,000 barrels per day from the previous week. Crude oil imports have averaged over 8.2 million barrels per day over the last four weeks, but this is still 400,000 barrels per day less than averaged during the same four-week period last year. Although the origins of weekly crude oil imports are very preliminary and thus not published, imports from Venezuela last week increased significantly and appear to be much closer to pre-strike levels. Total motor gasoline imports (including both finished gasoline and gasoline blending components) averaged 700,000 barrels per day last week, while distillate fuel imports averaged 600,000 barrels per day.

Monthly data on the origins of U.S. crude oil imports in December 2002 has been released and it shows that three countries each exported more than 1.4 million barrels per day of crude oil to the United States (see table below). The top sources of U.S. crude oil imports in December 2002 were Saudi Arabia (1.815 million barrels per day), Mexico (1.734 million barrels per day), and Canada (1.490 million barrels per day). This is the largest monthly amount of crude oil imported from Saudi Arabia since August 2001. Rounding out the top ten sources, in order, were Venezuela (0.652 million barrels per day), Nigeria (0.625 million barrels per day), United Kingdom (0.376 million barrels per day), Iraq (0.366 million barrels per day), Angola (0.312 million barrels per day), Colombia (0.248 million barrels per day), and Kuwait (0.190 million barrels per day). Imports from Venezuela were slightly more than half of what was averaged during the first 11 months of the year, as Venezuelan exports were severely curtailed for much of December following the general strike in that country. Total crude oil imports averaged 8.619 million barrels per day in December, a decline of more than 900,000 barrels per day from November, representing the lowest level since February 2001. The top three origins accounted for 58 percent of these U.S. crude oil imports in December, while the top ten sources accounted for nearly 91 percent of all U.S. crude oil imports.

Refinery Inputs and Production
U.S. crude oil refinery inputs dropped to 14.2 million barrels per day during the week ending February 28, a decline of nearly 300,000 barrels per day from the previous week. Some of the decrease in crude oil refinery inputs last week resulted in falls in distillate fuel and jet fuel refinery output, but motor gasoline refinery production actually increased slightly.

Petroleum Demand
Total product supplied over the last four-week period averaged 19.9 million barrels per day, or about 2.3% more than the same period last year. Over the last four weeks, motor gasoline demand is down 2.5%, but distillate fuel demand is up 18.0% compared to the same period last year. Kerosene-type jet fuel demand is 1.2 % more than last year over the latest four-week period.

Spot Prices (updated March 4)
The average world crude oil price on February 28, 2003 was $31.81 per barrel, $0.59 more than last week and $12.65 more than last year. The spot price for conventional gasoline in the New York Harbor was 101.20 cents per gallon, 2.45 cents above the previous week and 41.70 cents higher than a year ago. The spot price for No. 2 heating oil in the New York Harbor was 122.25 cents per gallon, 5.25 cents higher than the previous week and 63.90 cents more than last year.

Average U.S. Retail Gasoline Price Increases by Almost 3 Cents, California Tops $2 Mark (updated March 4)
The U.S. average retail price for regular gasoline rose last week for the eleventh time in twelve weeks, increasing by 2.8 cents per gallon as of March 3 to reach 168.6 cents per gallon, which is 54.2 cents per gallon higher than a year ago. While the outlook could go either way, strong gasoline demand ahead of the normal seasonal increase, extensive refinery maintenance, and still tight crude oil supply, may be pointing to added price pressure in the months ahead. Prices were mixed throughout the country, with the largest increase occurring in California, where prices rose 9.0 cents to end at 201.2 cents per gallon, the highest price ever in our survey, which for California goes back to May 2000. Prices fell on the Gulf Coast, with prices decreasing by 0.3 cent to end at 157.9 cents per gallon.

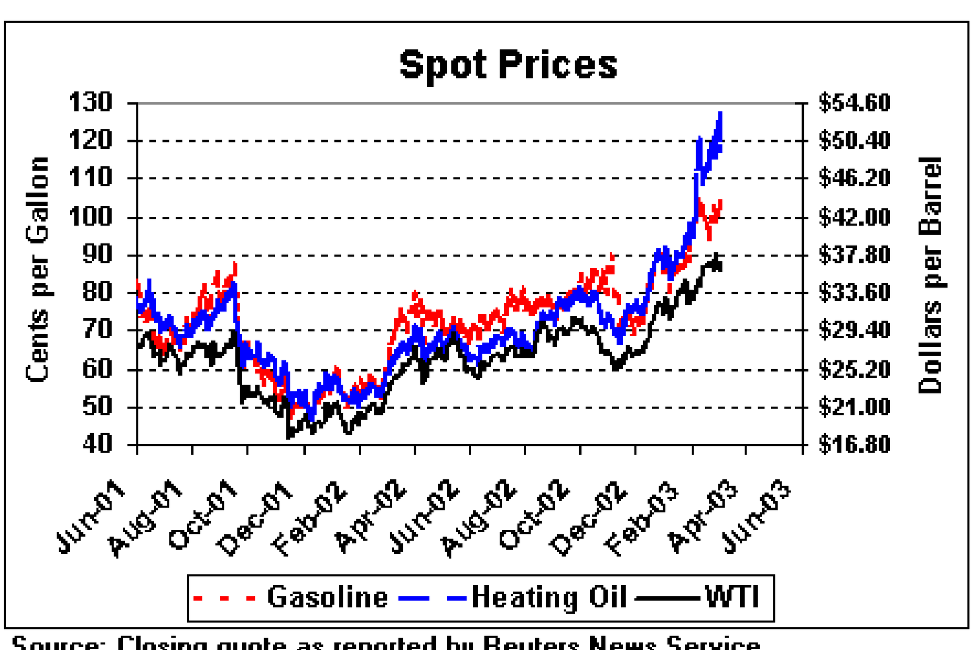
Retail diesel fuel prices increased for the seventh straight week, rising 4.4 cents per gallon to a national average of 175.3 cents per gallon as of March 3. This was the highest diesel price since EIA began recording this data in March 1994, and the third week in a row that diesel has topped its previous record price. Retail diesel prices were up throughout the country, with the largest price increase occurring in the Rocky Mountains, where prices rose 6.8 cents per gallon to end at 173.6 cents per gallon. Prices in New England rose again, by 6.6 cents, to hit 195.4 cents per gallon, the highest price in the nation.

Residential Heating Fuel Prices Jump This Week
Residential heating oil prices increased 8.3 cents per gallon for the week ending March 3, 2003, averaging 183.5 cents per gallon, and are 67.4 cents per gallon higher than last year at this time. Meanwhile, wholesale heating oil prices increased 8.6 cents per gallon this past week, reaching 129.3 cents per gallon.

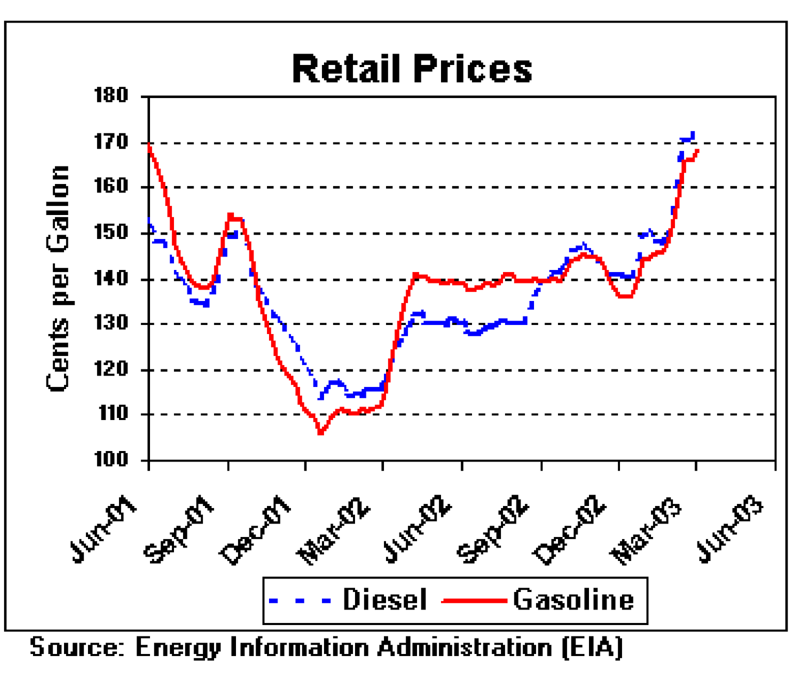
Residential propane prices increased 21.7 cents per gallon to reach 172.1 cents per gallon, the highest average residential propane price recorded on EIA's price survey, which dates back to October 1990. Residential propane prices are 59.6 cents higher than one year ago. Wholesale propane prices increased 33.5 cents per gallon, from 81.3 cents per gallon to 114.8 cents per gallon.

U.S. Petroleum Prices

(updated March 6, 2003)



Source: Closing quote as reported by Reuters News Service



Source: Energy Information Administration (EIA)

Crude Oil and Oil Products Price Table

Date	WTI Crude Oil Spot Cushing	WTI Crude Oil Futures	Gasoline Spot NYH	Gasoline Futures	Heating Oil Spot NYH	Heating Oil Futures	Kerojet Spot NYH	Propane Spot Mt. Belvieu	Propane Spot Conway	EIA Weekly Retail US Average Gasoline	EIA Weekly Retail US Average Diesel
	$/bbl	$/bbl	cents per gallon		cents per gallon		c/gal	cents per gallon		cents per gallon	
1/16/2003	$33.58	$33.66	87.15	90.76	89.09	89.67	90.37	60.13	60.38		
1/17/2003	$33.88	$33.91	87.30	91.11	89.25	89.86	90.48	60.25	59.94		
1/20/2003	NA	NA	NA	NA	NA	NA	NA	NA	NA	145.9	148.0
1/21/2003	$34.62	$34.61	86.80	90.10	89.27	89.47	89.92	59.57	57.75		
1/22/2003	$34.32	$32.85	86.40	89.93	91.00	91.19	91.73	59.75	57.44		
1/23/2003	$33.90	$32.25	86.75	89.81	91.50	91.53	92.23	60.19	58.38		
1/24/2003	$34.98	$33.28	89.78	92.25	94.75	95.02	95.63	61.38	58.94		
1/27/2003	$32.43	$32.29	88.35	90.15	93.73	93.43	94.38	60.00	58.88	147.3	149.2
1/28/2003	$32.70	$32.67	90.95	92.72	93.00	93.04	93.60	68.25	61.25		
1/29/2003	$33.54	$33.63	95.59	97.13	96.73	97.13	96.75	77.00	64.69		
1/30/2003	$33.78	$33.85	97.05	98.69	98.08	98.05	98.48	71.38	64.88		
1/31/2003	$33.51	$33.51	95.60	97.56	95.83	95.88	96.33	72.38	65.57		
2/3/2003	$32.84	$32.76	94.69	95.68	94.85	91.81	96.55	65.38	65.25	152.7	154.2
2/4/2003	$33.61	$33.58	98.80	100.06	99.05	96.19	101.93	67.25	67.25		
2/5/2003	$33.91	$33.93	101.30	103.15	103.80	99.40	106.55	70.19	69.25		
2/6/2003	$34.36	$34.16	101.00	102.83	112.50	102.71	115.38	70.19	69.25		
2/7/2003	$35.05	$35.12	104.38	106.70	120.50	109.57	122.00	74.25	74.25		
2/10/2003	$34.46	$34.48	100.53	102.75	114.48	104.43	116.35	72.25	72.25	160.7	166.2
2/11/2003	$35.43	$35.44	103.50	105.59	112.71	105.76	115.08	69.25	68.25		
2/12/2003	$35.83	$35.77	100.85	103.36	108.58	103.05	108.51	64.50	64.50		
2/13/2003	$36.63	$36.36	100.48	103.14	110.28	105.28	110.53	62.75	61.88		
2/14/2003	$36.61	$36.80	98.48	102.23	112.70	106.07	113.70	64.69	62.75		
2/17/2003	NA	NA	NA	NA	NA	NA	NA	NA	NA	166.0	170.4
2/18/2003	$36.88	$36.96	96.78	99.45	113.24	106.54	114.54	64.69	62.75		
2/19/2003	$37.02	$37.16	97.00	100.22	116.73	109.93	117.93	67.13	64.13		
2/20/2003	$36.45	$36.79	94.08	96.58	112.40	105.87	115.90	68.75	68.00		
2/21/2003	$36.76	$35.58	98.75	101.28	117.00	110.85	120.50	72.00	69.25		
2/24/2003	$37.29	$36.48	102.93	104.75	120.73	114.67	123.60	81.00	73.25	165.8	170.9
2/25/2003	$36.06	$36.06	98.48	100.78	115.50	112.26	119.25	94.50	81.50		
2/26/2003	$37.96	$37.70	99.63	101.83	119.00	115.49	122.75	105.00	87.50		
2/27/2003	$36.83	$37.20	99.40	101.80	117.90	115.43	120.40	110.50	101.00		
2/28/2003	$36.76	$36.60	101.20	103.77	122.25	125.59	124.50	127.50	89.50		
3/3/2003	$36.10	$35.88	102.05	109.48	126.88	103.60	127.75	77.44	70.25	168.6	175.3
3/4/2003	$36.95	$36.89	103.61	111.22	118.35	104.86	121.35	75.75	66.75		
3/5/2003	$36.86	$36.69	102.10	110.09	117.13	104.39	112.26	72.25	62.38		

Source: Spot and futures closing quotes as reported by Reuters News Service, retail prices reported by EIA

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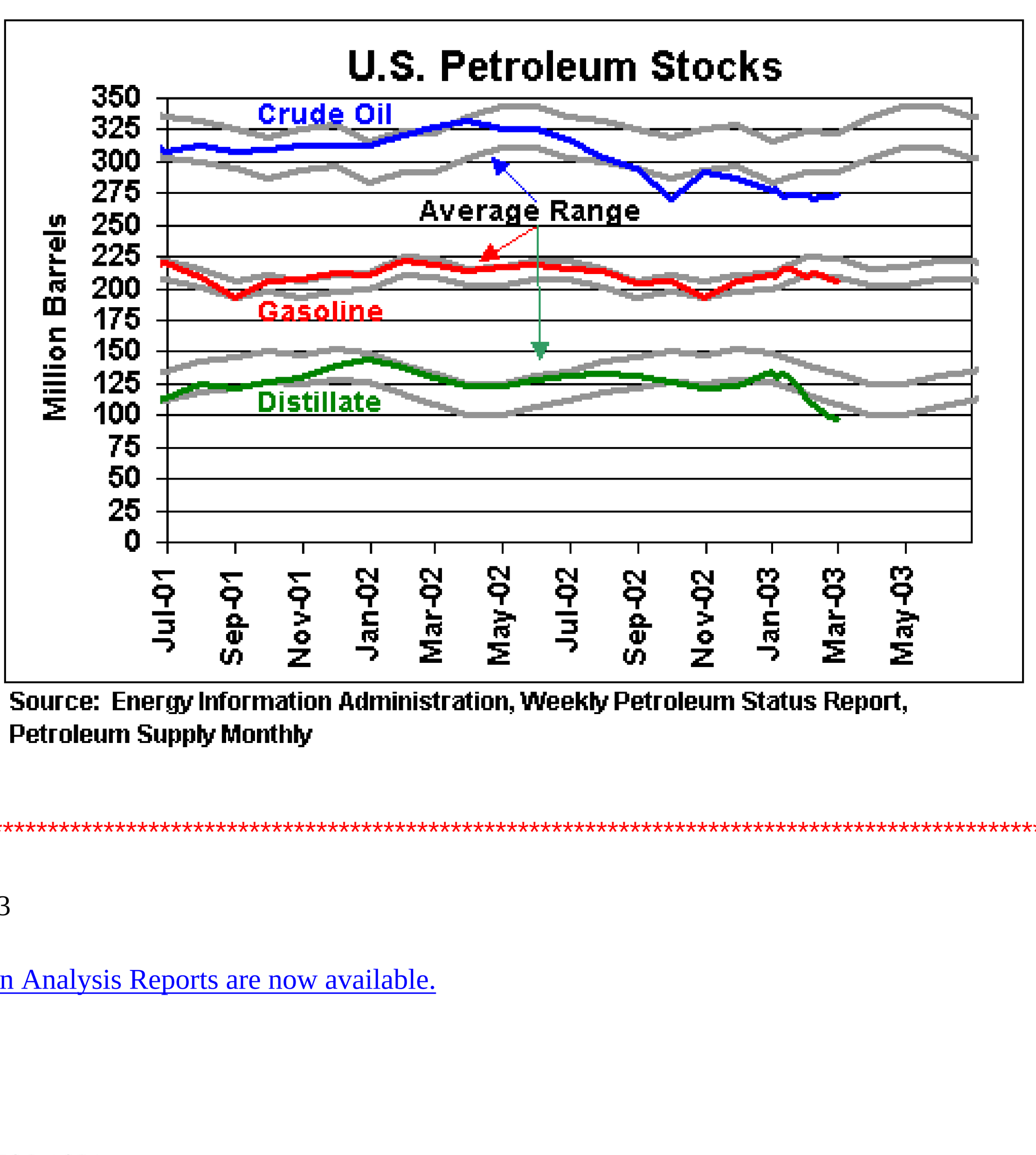
U.S. Petroleum Supply

(Thousand Barrels per Day)	Four Weeks Ending 2/28/2003	2/28/2002	vs. Year Ago Diff.	% Diff.
Refinery Activity				
Crude Oil Input	14,230	14,281	-51	-0.4%
Operable Capacity	17	16,786	-16,769	-99.9%
Operable Capacity Utilization (%)	85.8%	86.4%	-0.6%	
Production				
Motor Gasoline	8,034	8,137	-103	-1.3%
Jet Fuel	1,433	1,452	-19	-1.3%
Distillate Fuel Oil	3,414	3,489	-75	-2.2%
Imports				
Crude Oil (incl. SPR)	8,214	8,642	-428	-5.0%
Motor Gasoline	726	744	-18	-2.4%
Jet Fuel	87	99	-12	-12.2%
Distillate Fuel Oil	525	233	292	125.1%
Total	10,742	10,772	-30	-0.3%
Exports				
Crude Oil	10	4	6	135.3%
Products	893	1,108	-215	-19.4%
Total	903	1,114	-211	-18.9%
Products Supplied				
Motor Gasoline	8,400	8,614	-214	-2.5%
Jet Fuel	1,549	1,531	18	1.2%
Distillate Fuel Oil	4,398	3,726	672	18.0%
Total	19,912	19,464	448	2.3%

Stocks (Million Barrels)	2/28/2003	2/28/2002	vs. Year Ago Diff.	% Diff.
Crude Oil (excl. SPR)	273.6	326.6	-53.0	-16.2%
Motor Gasoline	206.1	218.3	-12.2	-5.6%
Jet Fuel	39.4	40.9	-1.5	-3.7%
Distillate Fuel Oil	96.5	130.3	-33.8	-25.9%
Total (excl. SPR)	895.0	1,017.1	-122.1	-12.0%



Source: Energy Information Administration, Weekly Petroleum Status Report, Petroleum Supply Monthly

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World Oil Market Highlights

(updated March 6, 2003)

As of early March 2003, EIA estimates that OPEC countries excluding Iraq and Venezuela hold between 1.5 and 2 million barrels per day of excess oil production capacity that could be brought online. Between half and two-thirds of this spare capacity is located in one country -- Saudi Arabia -- with nearly all the rest located in four Persian Gulf countries: UAE, Qatar, Kuwait, and Iran. The estimates included in the table below incorporate the 1.5 million-barrel-per-day increase to the OPEC-10 production ceiling announced on January 12, 2003, as well as recent unrest in Venezuela.

OPEC Crude Oil Production [1] (Thousand barrels per day)

	January 2003 Production	February 2003 Production	March 2003 Production	2/01/03 Quota[2]	Production Capacity[3]	March Surplus Capacity[3]
Algeria	1,050	1,050	1,050	782	1,100	50
Indonesia	1,070	1,060	1,050	1,270	1,050	0
Iran	3,600	3,700	3,700	3,597	3,750	50
Kuwait[4]	2,000	2,100	2,100	1,966	2,100	0
Libya	1,350	1,370	1,370	1,312	1,400	30
Nigeria	2,100	2,200	2,200	2,018	2,300	100
Qatar	700	740	740	635	850	110
Saudi Arabia[4]	8,500	8,700	9,200	7,963	10,000-10,500[5]	800-1,300[5]
UAE[6]	2,050	2,150	2,150	2,138	2,500	350
Venezuela[7]	614	1,400	1,700	2,819	1,700	0
OPEC 10 Crude Oil Total	**23,034**	**24,470**	**25,260**	**24,500**	**26,750-28,250[5]**	**1,490-1,990[5]**
Iraq[8]	2,545	2,390	2,319	N/A	2,900	581
OPEC Crude Oil Total	**25,579**	**26,860**	**27,579**	N/A	**29,650-30,150[5]**	**2,071-2,571[5]**
Other Liquids[9]	2,761	2,761	2,761	N/A		
Total OPEC Production	**28,340**	**29,261**	**30,340**	N/A		

NA: Not Applicable
1Crude oil does not include lease condensate or natural gas liquids.
2Quotas are based on crude oil production only.
3Maximum sustainable production capacity, defined as the maximum amount of production that: 1) could be brought online within a period of 30 days; and 2) sustained for at least 90 days.
4Kuwaiti and Saudi Arabian figures each include half of the production from the Neutral Zone between the two countries. Saudi Arabian production also includes oil produced from its offshore Abu Safa field on behalf of Bahrain.
5 Saudi Arabia is the only country with the capability to further increase its capacity significantly within 90 days. Saudi Arabia can increase its sustainable production capacity to 10 million barrels per day within 30 days and to 10.5 million barrels per day within 90 days. As a result, the estimates for Saudi Arabia are as shown as a range, with the lower figure using the 30 days' definition and the upper end reflecting Saudi Arabia's 90 days' capability. OPEC's surplus capacity estimates are also shown as a range for this reason.
6The UAE is a federation of seven emirates. The quota applies only to the emirate of Abu Dhabi, which controls the vast majority of the UAE's economic and resource wealth.
7Venezuelan capacity and production numbers exclude extra heavy crude oil used to produce Orimulsion. It has been estimated that it would take 4 months from the end of the current crisis for Venezuela to restore its pre-strike production capacity. Venezuelan production projections assume production remains at current levels.
8Iraqi oil exports are approved by the United Nations under the oil-for-food program for Iraq established by Security Council Resolution 986 (April 1995) and subsequent resolutions. As a result, Iraqi production and exports have not been a part of any recent OPEC agreements.
9Other liquids include lease condensate, natural gas liquids, and other liquids including volume gains from refinery processing.

Major Sources of U.S. Net Petroleum Imports, 2002*
(all volumes in million barrels per day)

	Net Total Oil Imports	Net Crude Oil Imports	Net Petroleum Product Imports
Canada	1.83	1.42	0.41
Saudi Arabia	1.55	1.52	0.03
Venezuela	1.37	1.20	0.17
Mexico	1.28	1.49	-0.21
Nigeria	0.60	0.57	0.03
United Kingdom	0.47	0.41	0.06
Iraq	0.44	0.44	0.00
Norway	0.38	0.34	0.04
Angola	0.33	0.32	0.01
Net Imports	10.38	9.04	1.34

** Table includes all countries from which the U.S. imported (net) more than 300,000 barrels per day of total oil in 2002.*

Top World Oil Net Exporters, Jan.-Nov. 2002*

	Country	Net Exports (million barrels per day)
1)	Saudi Arabia	6.90
2)	Russia	5.07
3)	Norway	3.14
4)	Iran	2.48
5)	Venezuela	2.48
6)	United Arab Emirates	1.93
7)	Nigeria	1.86
8)	Mexico	1.68
9)	Kuwait	1.64
10)	Iraq	1.56
11)	Algeria	1.26
12)	Libya	1.20

**Table includes all countries with net exports exceeding 1 million barrels per day in Jan.-Nov. 2002.*

During 2002, slightly over half of U.S. net crude oil imports came from the Western Hemisphere (19% from South America,16% from Canada, 16% from Mexico, 1% from the Caribbean), while nearly one-fourth came from the Persian Gulf region (17% from Saudi Arabia, 5% from Iraq, 2% from Kuwait).

In general, OECD Europe depends far more heavily on the Persian Gulf and North Africa for oil imports than does the United States. Japan receives over three-quarters of its oil supplies from the Persian Gulf (mainly the UAE, Saudi Arabia, Kuwait, Iran, and Qatar) with the remainder coming from Indonesia, China, and other sources.

Having provided this information, it is important to stress that oil is a "fungible" (interchangeable, traded on a world market) commodity, that a disruption of oil flows anywhere will affect the price of oil everywhere, and that the specific suppliers of oil to a particular country or region are not of enormous significance, at least from an economic point of view.

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Latest U.S. Weekly Natural Gas Information

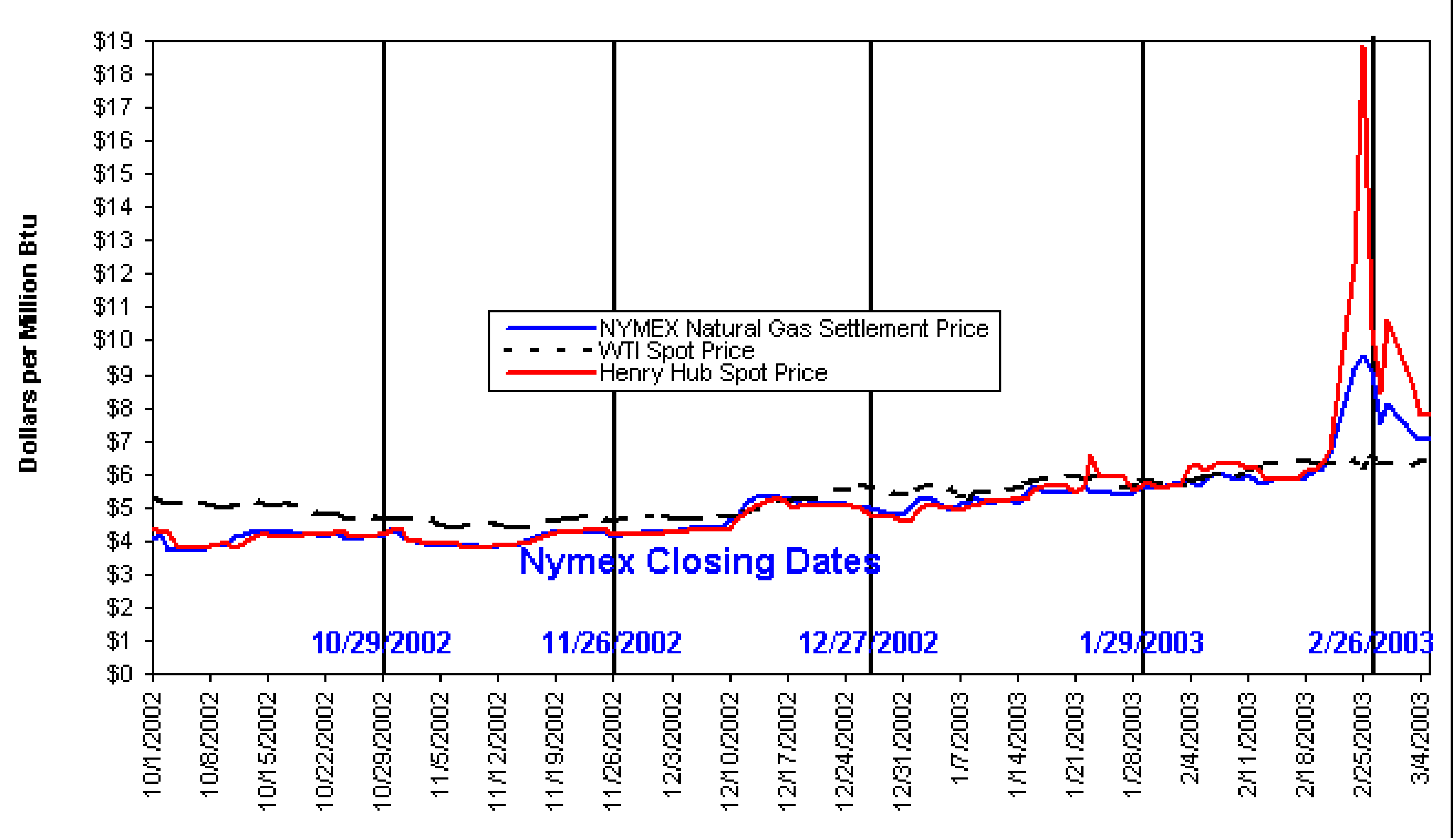
(March 6, 2003)

Prices

Spot trading has been mixed over the past two days (Tuesday and Wednesday, March 4-5). Locations with price declines outnumbered those with increases on Tuesday, with the situation reversed on Wednesday, leaving spot prices either flat or down by up to 75 cents or more at most market locations. At the Henry Hub, the spot price declined a cumulative 75 cents to end trading yesterday (Wednesday, March 5) at $7.81 per MMBtu. Daily changes were relatively large at Northeast locations, where price drops on Tuesday and price increases on Wednesday were mostly over $2 per MMBtu. The Northeast notwithstanding, the high volatility in natural gas prices has subsided somewhat recently, as smaller daily price changes have been accompanied by narrower daily trading ranges, mostly under $1, at the majority of trading locations. Nonetheless, spot prices are still at unusually high levels. Prices at producing area locations generally averaged above $7.50 per MMBtu yesterday, while the average price for Midwest price points was $9.97 and for Northeast locations, $11.77 per MMBtu.

On the futures market, the price of the near-month contract (for April delivery) recorded relatively small decreases on both Tuesday and Wednesday, settling yesterday at $7.021 per MMBtu. Since reaching its all-time peak price of $8.101 per MMBtu last Friday (February 28), the April contract has declined $1.08 per MMBtu.

NYMEX Natural Gas Futures Near-Month Contract Settlement Price, West Texas Intermediate Crude Oil Spot Price, and Henry Hub Natural Gas Spot Price



Note:The West Texas Intermediate crude oil price, in dollars per barrel, is converted to $/MMBtu using a conversion factor of 5.80 MMBtu per barrel. The dates marked by vertical lines are the NYMEX near-month contract settlement dates.
Source: NGI's *Daily Gas Price Index* (http://Intelligencepress.com)

Trade Date (All prices in $ per MMBtu)	California Composite Average Price*	Henry Hub	New York City	Chicago	NYMEX futures contract- April delivery	NYMEX futures contract- May delivery
2/5/2003	5.27	6.24	7.39	6.25	5.414	5.171
2/6/2003	5.19	6.08	7.15	6.11	5.578	5.298
2/7/2003	5.30	6.29	7.70	6.30	5.780	5.448
2/10/2003	5.42	6.34	8.25	6.40	5.617	5.327
2/11/2003	5.39	6.19	9.87	6.38	5.722	5.417
2/12/2003	5.43	6.20	10.92	6.27	5.560	5.315
2/13/2003	5.27	5.84	9.30	5.88	5.550	5.350
2/14/2003	5.25	5.87	10.49	5.92	5.644	5.439
2/18/2003	5.41	6.10	10.11	6.12	5.710	5.500
2/19/2003	5.38	6.10	7.88	6.12	5.909	5.619
2/20/2003	5.61	6.39	7.75	6.39	5.980	5.684
2/21/2003	5.83	6.74	9.65	7.48	6.318	5.953
2/24/2003	9.03	12.26	24.91	14.41	7.622	6.842
2/25/2003	9.55	18.85	25.67	18.19	6.584	5.859
2/26/2003	7.55	10.36	13.35	10.62	7.390	6.230
2/27/2003	7.25	8.45	10.49	8.40	7.485	5.965
2/28/2003	8.98	10.65	15.78	15.24	8.101	6.071
3/3/2003	8.44	8.56	11.53	9.32	7.162	5.952
3/4/2003	8.47	7.76	9.58	9.51	7.041	5.991
3/5/2003	8.43	7.81	12.04	9.01	7.021	5.971

* Average of *NGI's* reported average prices for: Malin, PG&E citygate, and Southern California Border Average.
Source: NGI's Daily Gas Price Index (http://intelligencepress.com)

Natural Gas Storage

Working gas in storage was 838 Bcf as of February 28, according to EIA's *Weekly Natural Gas Storage Report*. This is almost 42% below the prior 5-year average. Implied net withdrawals were 176 Bcf, which is more than twice the 5-year average withdrawal for the week. This marks the fourth time this heating season, and the second time in the month of February, that implied net withdrawals have been more than double the 5-year average.

All Volumes in Bcf	Current Stocks 2/28/2003	Estimated Prior 5-Year (1998-2002) Average	Percent Difference from 5 Year Average	Implied Net Change from Last Week	One-Week Prior Stocks 2/21/2003
East Region	403	797	-49.4%	-96	499
West Region	198	196	1.0%	-26	224
Producing Region	237	446	-46.9%	-54	291
Total Lower 48	838	1,440	-41.8%	-176	1,014

Source: Energy Information Administration: Form EIA-912, "Weekly Underground Natural Gas Storage Report," and the Historical Weekly Storage Estimates Database. Column and/or row sums may not equal totals due to independent rounding.

Industry/Market Developments

Winter (2002-2003) Conditions Have Resulted in Record Price Levels: A number of factors have played major roles in the relatively high gas prices in recent months:

- Weather: Cold temperatures led to higher demand for heating. Most regions outside the far western portion of the country experienced temperatures that have been much colder than last winter, and also significantly colder than normal in some regions. For example, heating-degree-days (HDDs) in the Middle Atlantic region through March 1, 2003, were 6 percent higher than normal and more than 33 percent above last year's level. HDDs in the entire United States have been 2.5 percent below normal (although 15 percent higher than last year) because of warm weather in the West (the Pacific and Mountain census regions).
- Storage: Although working gas inventories entered the heating season at 3,116 billion cubic feet (Bcf) (almost 4 percent larger than the average of the preceding 5 years), high demand resulted in a faster than usual drawdown. Net withdrawals in January, estimated at 859 Bcf, represent the largest volume for this month in 30 years of EIA monthly data. As of February 21, natural gas in storage at 1,014 Bcf was more than 33 percent below the 5-year average.
- Production: Production for the first 10 months of 2002 was down 2.6 percent from 2001 levels (based on preliminary data). Analysis indicates that the natural gas industry, although producing less, is producing at very high rates of capacity utilization, exceeding 90%, as a result of a lower rate of new well completions and the natural decline as producing wells age. Rapid well decline rates increase the continual need for new wells, which have higher production rates than old wells. The completion of new wells is essential to maintain and expand production as relatively new wells provide a disproportionately large share of total production. High production utilization rates tend to result in higher gas prices owing to the increasingly tight market conditions.
- Imports: Net imports of natural gas were down by 4% in the first 10 months of 2002. Total U.S. imports of natural gas in the first 10 months of 2002 were up 80 Bcf or slightly more than 2% from 2001 levels, but exports also increased. U.S. imports from Canada, which comprise about 94% of total imports, increased roughly 3% during the first 10 months of 2002. Imports of liquefied natural gas (LNG) provide about 6% of total U.S. imports, and they declined 4% for the entire year. Exports to other countries were up by 146 Bcf, as additional cross-border pipeline projects, such as the Vector Pipeline, came on line.

In the near-term, conditions are expected to improve as the industry and markets respond to the price signals. Drilling for natural gas projects has increased substantially in recent months. After bottoming out at 591 rigs as of April 5, 2002, rigs drilling for gas prospects have increased to an average of 750 in February 2003. Given the expected improvement in supply conditions, the EIA projects the average wellhead gas price at $4.36 per Mcf in 2003 and $4.28 in 2004. At those levels, natural gas prices would be higher than the average for 2001, and after adjustment for inflation, the projected wellhead prices would be comparable to levels seen in the early 1980s.

EIA Updates Web Site on Retail Gas Competition: EIA has updated its web site on the status of natural gas industry restructuring in each state as of December 2002, focusing on the residential customer class (Natural Gas Restructuring). Enrollment in existing "customer choice" programs generally increased in 2002 as the number of eligible customers grew substantially and the number of competitive suppliers increased in several states. Most of the enrollment increases can be attributed to the expansion of existing programs into new geographic areas or new enrollment caps as part of an approved phase-in to system-wide choice programs. In 2002, Florida was the only state to start unbundling for the first time, approving two small pilot programs for residential transportation service, while several states with existing programs implemented more stringent credit requirements for participating marketers and fine-tuned their programs. As of January 1, 2003, 21 states and D.C. have some form of choice program for residential gas customers. Overall nearly 7% (4.1 million) of U.S. residential gas customers (about 60.2 million) are buying gas from marketers, with the largest numbers in Georgia (1.4 million), Ohio (1 million), Michigan (332,000), and New York (319,000).

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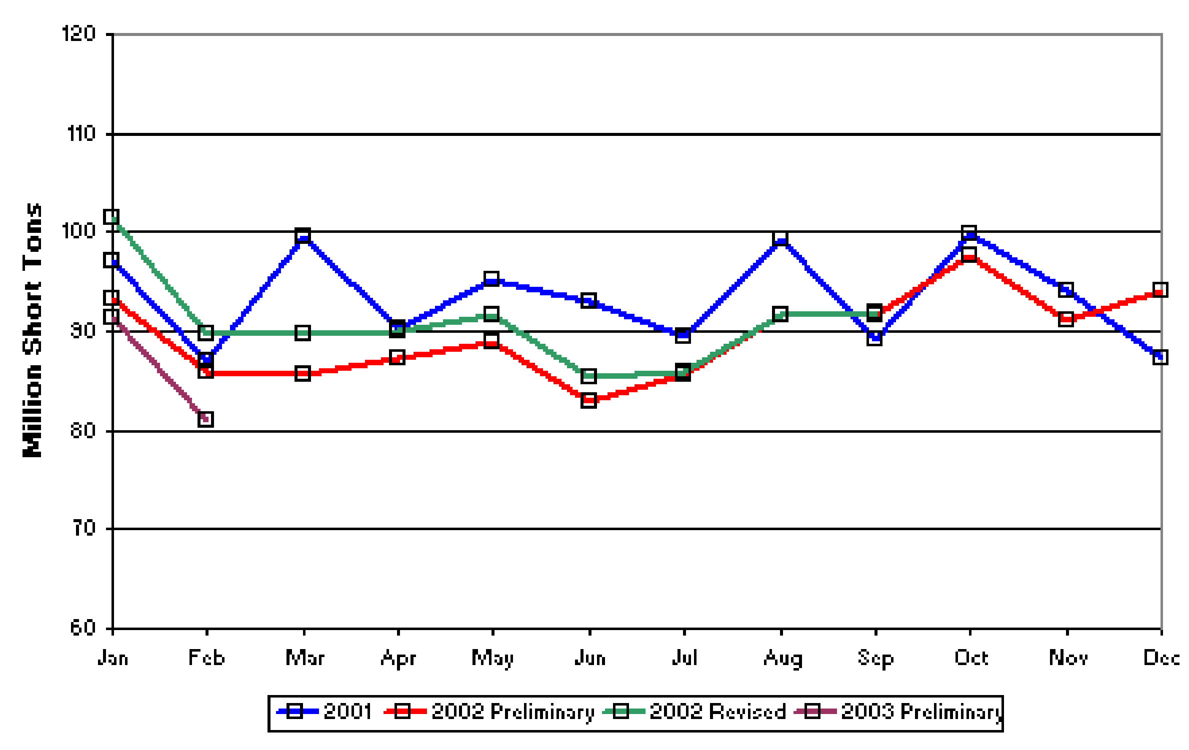
Latest U.S. Coal Information

Coal Production (Updated March 6, 2003)
For the week ended March 1, estimated coal production totaled 20.3 million short tons (mmst), 0.8 mmst lower than in the comparable week in 2002. Railcar loadings of coal were 1.5% lower than year-ago levels and estimated national coal production was 3.7% lower. The estimated production for the month of February 2003 was 81.1 mmst, 9.7% lower than the 89.8 mmst in February 2002.

For the year to date, national coal production estimates are 9.9% lower than in 2002 – 6.3% lower west of the Mississippi and 13.9% lower in the East. The longer-term trend, for the 52 weeks ended March 1, 2003, versus the 52 weeks ended March1, 2002, shows estimated western U.S. coal production at 1.1% above the levels of a year earlier. Estimated eastern U.S. coal production in the more recent period, however, is trending 8.1% below the levels a year earlier. The more recent estimate incorporates coal production survey data of the Mine Safety and Health Administration through the third quarter 2002.

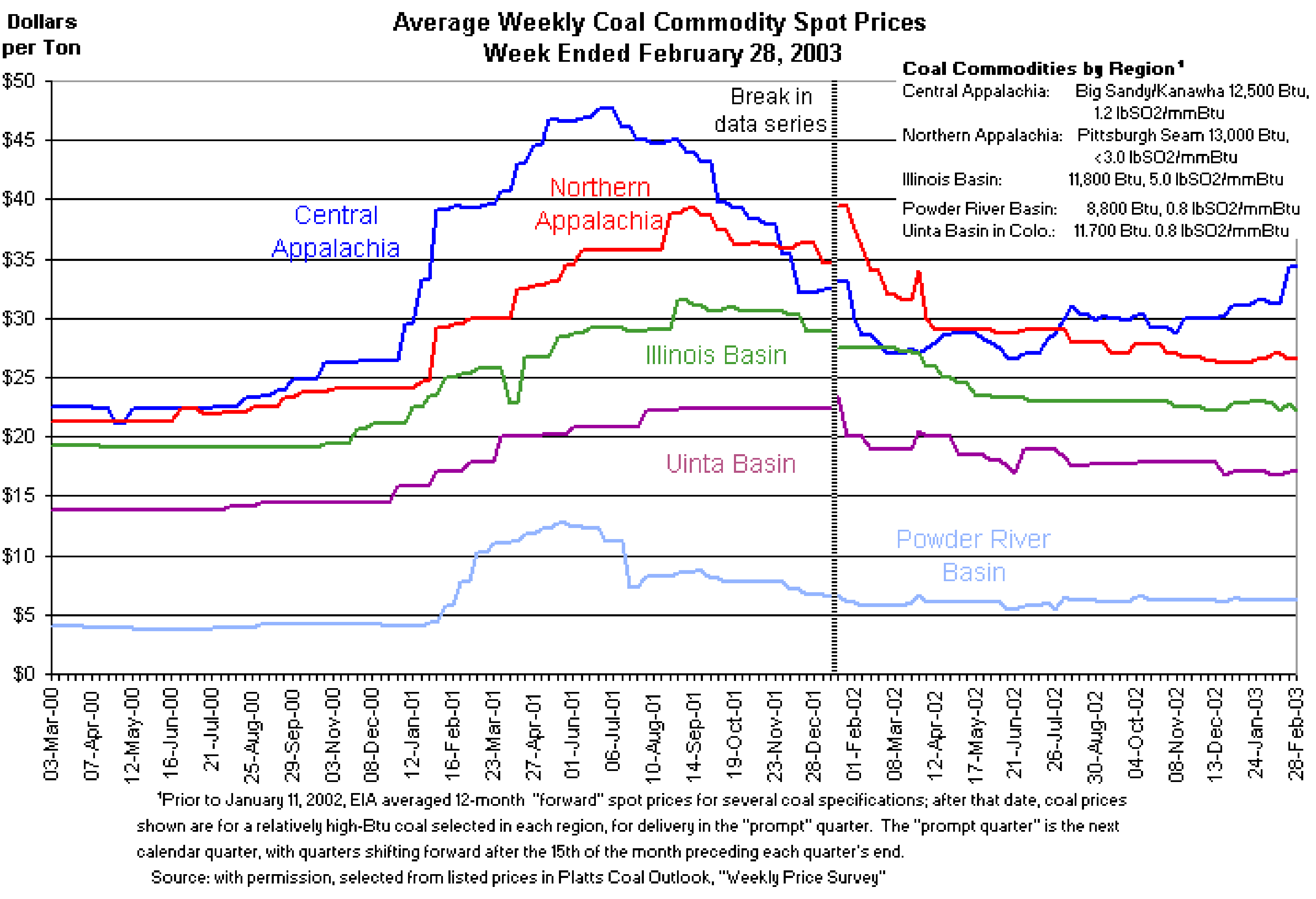
U.S. Monthly Coal Production



Coal Prices (Updated March 4, 2003)
Over-the-counter (OTC) coal prices were mostly unchanged last week. The $3.00 per short ton gains achieved 2 weeks ago in OTC prices for Central Appalachian coal held steady last week (see graph below). Spot coal prices for the Central Appalachia/Big Sandy-Kanawha 12,500-Btu product tracked by EIA again traded at $34.25 per short ton in the week ended February 28. The stall in the price rise coincides with a reversal on February 26 of last week's sharp increase in natural gas prices, on news of a possible warming in temperatures across the Midwest and Northeast. The volume in OTC coal was nearly double that of the previous week: 130 trades (all on February 25). OTC coal volumes were modest, however, as brokers continue to report that not much Central Appalachian coal is available. "Traders uniformly spoke of the lack of excess production and what a scramble it could be if demand suddenly increases. (Platts Coal Outlook, February 24). At best, however, the outlook is confused, as some analysts expect spot coal prices to continue upward this month and others feel that the increases will not occur until the 4th quarter of the year, during next winter's stockpile builds (Energy Argus Coal Daily, March 3, p.6).

Northern Appalachian, Powder River Basin, and Uinta Basin OTC prices were unchanged at $22.60, $6.20, and $17.05 per short ton, respectively. The Illinois Basin coal price lost the $0.50 gained the week before. Coal prices in all supply regions are below the peak prices of summer 2001. Central Appalachian prices are now only about $13.50 per short ton lower, compared with $16.50 lower a week earlier. Northern Appalachian coal prices are lower by about $12.50 per short ton, or 32% lower; Powder River Basin coal prices are lower by about $6.50, or 51%, Illinois Basin coal prices lower by about $9.50, or 30%, and Uinta Basin coal prices lower by about $5.50, or 25%.

Turning to cash trading in eastern coal, Bloomberg price data last week in the eastern supply region were at their highest level in almost a year. The reasons cited were the colder than expected weather in the eastern United States and the startling jump in natural gas prices. As a result, utilities will turn toward burning more coal, and coal prices could "rise to $35 to $40 a ton going into the summer," according to Merrill Lynch analyst, Daniel Roling. "The market is tighter now that it has been in six months and I don't see anything changing that with production down so much," one eastern coal seller said. Spurred by firmer prices, Peabody will reopen its Big Mountain coal mine, which it closed last October in West Virginia (Energy Argus Coal Daily, March 3, p.7), but no other reopenings have been announced. Reacting to heightened demand and rising natural gas prices, eastern electricity generators re-fired some of their older, less efficient coal plants (http://quote.bloomberg.com/newsarchive/, "Coal in Eastern U.S. Rallies as Utilities Burn More, 2003-02-24).



Coal futures trading volumes on the NYMEX added 130 trades last week, all on February 25. The 294 near-month futures contracts settled in the prior 2 weeks exceeded cumulative NYMEX trading for the previous 9 weeks. Settled prices for near-month (March) deliveries rose from $30.00 on February 14 to $32.00 by February 26 and to $32.60 on February 28, at which level they closed on March 3. There have been no trades settled, however, between February 26 and March 3.

Coal Markets (Updated March 4, 2003) Coal supplies are famously short in Central Appalachia but available in Northern Appalachia. Illinois Basin and PRB coal supplies are adequate for anticipated demand. Uinta Basin coal is adequate for the moderate demand it serves, mostly in western States, but mines in the region have had to go off line in recent years at inopportune times, due to bad geology or hazards. At the same time, coal demand has been constrained and has not rebounded to any large extent. A number of factors are present that could affect markets now and into the 2nd quarter of 2003, with no consensus on which factor will be important. They include:

- Central Appalachian mines, some nearing depletion, others moving into thinner and deeper underground reserves
- Central Appalachian surface mine permitting had been on hold since last May due to litigation regarding valley fills
- European market coal prices at historical lows, as well as ocean collier freight rates, which may produce more competition from coal imports for coastal U.S. coal contracts
- The mergers of Fording Coal and Sherritt International in Canada consolidates metallurgical coal assets and steam coal assets under the two respective divisions; reorganization is structured to capture more of the international met coal market and more of the North American steam coal market
- Supply and financing uncertainties as several coal producers and energy companies in Northern Appalachia are in bankruptcy protection and are liquidating assets and reorganizing corporate structures
- West Virginia mine production affected by controversy, with new legislation currently being debated, over citizen safety and coal truck weight restrictions on public roads
- Several months of low water in Mississippi River affecting barge movements, may continue into spring and summer
- Drought and low snow pack conditions in northwestern United States expected to limit hydroelectric generation this year and increase demand on western coal capacity
- Historically high number of coal rail transportation rate appeals by shippers are under review by the Surface Transportation Board; concurrently, carriers are under pressure to raise railroad profitability

The next few months should prove interesting.

Environmental Update (Updated February 11, 2003)
On January 30, Environmental Protection Agency (EPA) Administrator Christine Todd Whitman announced a report documenting reductions in some acid rain indicators in sensitive ecosystems of the United States (Response of Surface Water Chemistry to the Clean Air Act Amendments of 1990). The data confirm a large decrease in wet sulfate deposition across broad areas of the Northeast and Upper Midwest. The amount of wet sulfate – an acidic anion – deposited to lakes and streams declined by approximately 40 percent in the 1990s. These reduced levels can be linked to declines in emissions of sulfur oxides since implementation of the 1990 Clean Air Act Amendments. Because of differences in geology and soils, however, the rates of decline in sulfate concentrations in precipitation were generally steeper than in surface waters.
This was not unexpected and suggests that in most aquatic systems, sulfate recovery exhibits a somewhat lagged response. Further, the decline in surface waters that were acidic was more modest than the decline in wet sulfate. Just as anthropogenic acidification of surface waters did not take place all at once, recovery to natural levels will require some time. Although the study shows a ¼ to 1/3 decline in formerly acidic surface waters, the robustness of the change (the "acid neutralizing capacity") was marginal. The study authors believe their results point toward recovery, forecasting an improvement in biologically relevant surface water chemistry. Other indicators that showed improvement include regional increases in dissolved organic carbon and decreased concentrations of toxic aluminum in some sensitive areas. Nitrogen levels and base cation levels have not yet shown significant improvements. Even if improving, reactions involving these elements may be tied up in soil and native rock chemistry for years before results are seen in surface waters (http://www.epa.gov/ord/htm/CAAA-ExecutiveSummary-1-29-03.pdf).

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Latest U.S. Electricity Information

(March 6, 2003)

Selected Wholesale Electricity Prices: In the Western United States, spot electricity prices tracked natural gas prices over the past seven trading days. On March 4, electricity prices increased throughout the region, reacting to higher natural gas prices and cooler weather. On March 5 electricity prices decreased, following a decline in natural gas prices. At Mid-Columbia, a benchmark for the Northwest, prices increased to $77.29 per megawatthour on March 4 from $71.74 on March 3, and then fell slightly to $77.08 on March 5. At California's NP-15 and SP-15, prices increased to $84.75 and $83.63 per megawatthour on March 4 from $78.78 and $76.97 per megawatthour on March 3, but dipped to $83.35 and $82.28 per megawatthour on March 3, respectively.

The Midwest region followed a similar pattern as the Western region. Prices increased on March 4 as the colder weather put upward pressure on heating demand, but declined the next day as warmer temperatures reduced heating demand. At the Cinergy Trading Center, prices moved upwards to $65.23 per megawatthour on March 4 from $55.27 on March 3 and then decreased to a weekly low of $55.15 per megawatthour on March 5.

In the Southeast, milder temperatures reduced heating demand and electricity prices March 3 through March 4. Slightly cooler weather on March 5 increased customer demand resulting in high electricity prices. Prices within the SERC trading area tumbled to a seven-day low of $57.29 per megawatthour on March 4 and then increased slightly to $59.19 per megawatthour on March 5.

In the Northeast, prices on March 4 and March 5 were mixed throughout the region. Nepool prices continued to break the $100 mark, declining to $104.50 per megawatthour on March 5 from $118.75 per megawatthour on March 3, as warmer weather decreased heating demand. Helping to lower prices somewhat, Entergy Corporation's 670-megawatt Pilgrim Unit 1 returned to full service after completing equipment repairs. For the Mid-Atlantic States, temperatures and the availability of electric generating supplies dictated the price of electricity. At PJM West, reduced output from 2 nuclear plants in the region pushed prices upwards to $79.52 per megawatthour on March 4 from $77.63 on March 3. On March 5, PJM West's prices remained steady, dropping only to $79.52 per megawatthour as mild temperatures kept customer demand stable. In New York warmer weather lowered prices on March 4 to $120 per megawatthour from $130 on March 3. However New York City's electricity prices went up $5, to $125 per megawatthour, on March 5 as cooler weather and plant outages in Ontario increased exports to Canada.

Over the past seven days, average prices at all trading centers ranged between $73.04 and $125.61 per megawatthour with an overall weekly average of $89.61 per megawatthour.

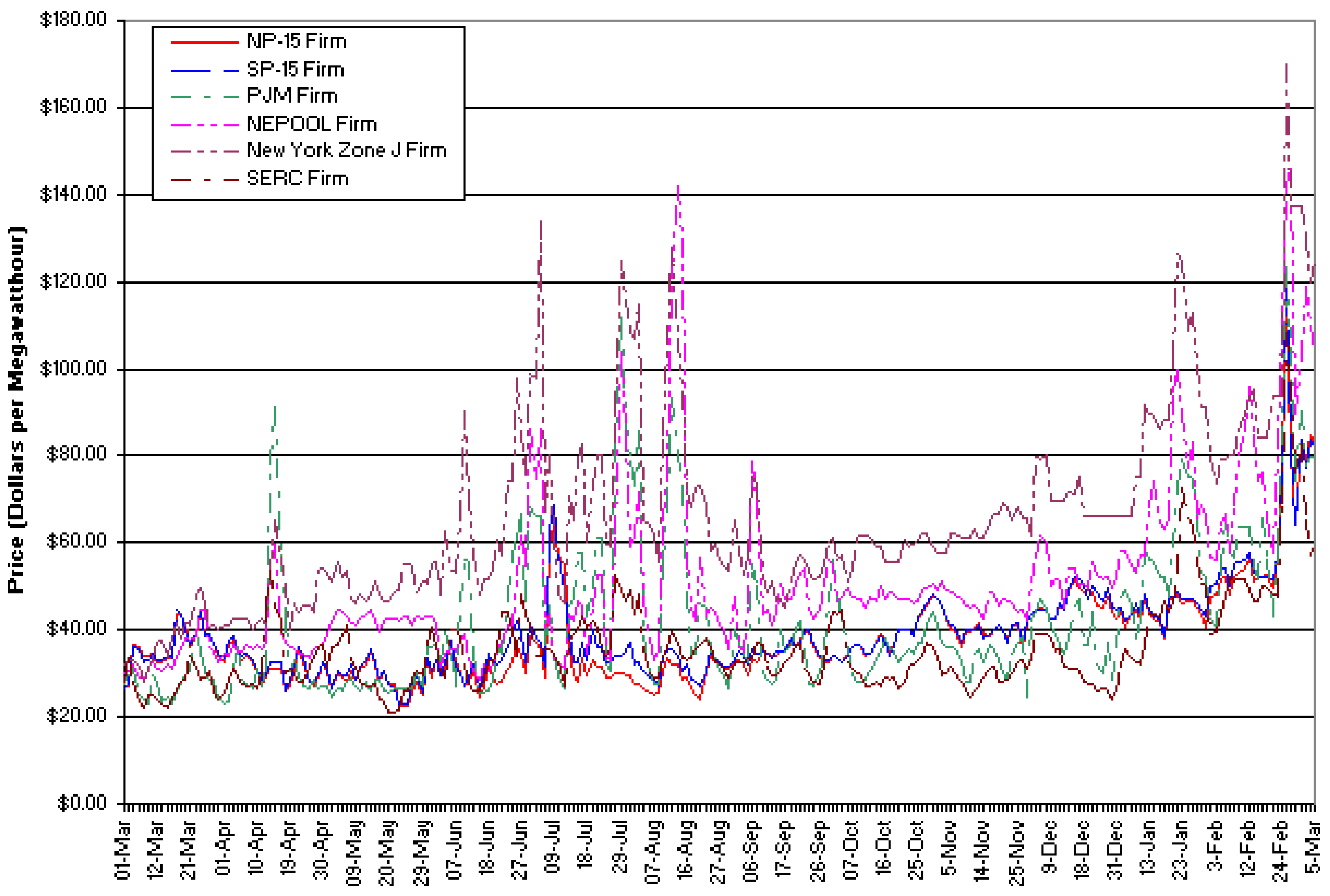
U.S. Regional Electricity Prices at Major Trading Centers (Dollars per megawatthour)

Trading Centers	Date							Price Range		
	2/25/03	2/26/03*	2/27/03	2/28/03	3/3/03	3/4/03	3/5/03	Max	Min	Average
COB	120.50	78.00	62.00	78.62	74.67	82.46	80.50	120.50	62.00	82.39
Palo Verde	119.76	77.93	59.60	78.61	72.80	80.16	76.95	119.76	59.60	80.83
Mid-Columbia	115.08	75.53	59.82	74.87	71.74	77.29	77.08	115.08	59.82	78.77
Mead/Marketplace	121.38	80.72	61.89	81.99	75.95	83.70	81.45	121.38	61.89	83.87
4 Corners	121.70	77.50	59.66	78.41	72.50	81.83	79.29	121.70	59.66	81.56
NP 15	116.17	81.13	63.98	83.61	78.78	84.75	83.35	116.17	63.98	84.54
SP 15	120.78	82.36	64.21	83.72	76.97	83.63	82.28	120.78	64.21	84.85
PJM West	123.50	105.02	74.35	90.06	77.63	79.52	79.25	123.50	74.35	89.90
NEPOOL	142.14	145.83	90.00	102.50	118.75	110.00	104.50	145.83	90.00	116.25
New York Zone J	170.00	137.50	137.50	137.50	130.00	120.00	125.00	170.00	120.00	136.79
Cinergy	128.23	n.a.	67.13	94.45	55.27	65.23	55.15	128.23	55.15	77.58
SERC	108.10	96.94	76.28	82.82	65.08	57.29	59.19	108.10	57.29	77.96
Average Price	125.61	94.41	73.04	88.93	80.85	83.82	82.00	125.61	73.04	89.61

Sources: COB, Palo Verde, Mid-Columbia, Mead/Market Place, Four Corners, NP-15, SP-15, PJM-West, NEPOOL, New York Zone J, Cinergy, and SERC trading centers. Used with permission from Bloomberg L.P. (www.bloomberg.com).

COB:	Average price of electricity traded at the California-Oregon and Nevada-Oregon Borders.
Palo Verde:	Average price of electricity traded at Palo Verde and the West Wing, Arizona.
Mid-Columbia:	Average price of electricity traded at Mid-Columbia.
Mead/Market Place:	Average price of electricity traded at Mead Market Place, McCullough and Eldorado.
Four Corners:	Average price of electricity traded at Four Corners, Shiprock, and San Juan, New Mexico.
NP-15:	Average price of electricity traded at NP-15.
SP-15:	Average price of electricity traded at SP-15.
PJM-West:	Average price of electricity traded at PJM Western hub.
NEPOOL	Average price of electricity traded at Nepool.
New York Zone J:	Average price of electricity traded at the New York Zone J - New York City.
Cinergy:	Average price of electricity traded into the Cinergy control area.
SERC:	Average price of electricity traded into the Southeastern Electric Reliability Council.

Average Wholesale Electricity Prices in the U.S.



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[Archives of past Energy Situation Analysis Reports are now available.]

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Definitions

Petroleum

WTI – West Texas Intermediate (for the purposes of this table, prices provided are near month futures price) Cushing OK.

Bbl – Barrel (42 gallons).

C's – cents.

Natural Gas

Henry Hub – A pipeline hub on the Louisiana Gulf coast. It is the delivery point for the natural gas futures contract on the New York Mercantile Exchange (NYMEX).

Electricity

COB – average price of electricity traded at the California-Oregon and Nevada-Oregon border.

Palo Verde - average price of electricity traded at Palo Verde and West Wing Arizona.

Average - average price of electricity traded at all locations.